

6

CHANGE MANAGEMENT

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6.0 OBJECTIVES

After reading this chapter, you will be able to

- Describe the ADKAR model for change management allowing change management teams to focus their activities on specific business results.
- Describe creating change within an organization takes hard work and structure around what must actually take place to make the change happen.
- Implement control change, through change approvals and reviews
- Define the standardized methods and procedures are used for efficient and prompt handling of all changes to controlled IT infrastructure.
- To develop a change management plan. The plan focus on assessing organization's willingness and ability to change,

developing a change strategy and evaluating whether the change was successful or not.

- Discuss the nature of resistance and conflict and apply techniques for dealing with resistance and conflict.

6.1 INTRODUCTION

“TO IMPROVE is to change, to be perfect is to change often”-
Winston Churchill

Nothing can better emphasize the need for change. Every organization needs to change with time; failing which, it stands the risk of being pushed into oblivion and being labeled as obsolete by the more enterprising competitors in the market.

Change management enables planning, controlling and coordinating all changes to an IT environment using standardized methods and procedures. Maximize process efficiency. Minimize change risk. Information Technology projects are planned organizational change. An IT project has an impact on the organization and organization has an impact on the IT projects.

The change you must, at the needed intervals. Change could be effected in the overall policy and procedure, in the infrastructure, in the structuring of staff, etc To implement successful change, as a manager, you need an overall leadership force that is greater than the combined force of resistance. By understanding the most common ways that people respond to change and learning how to convince the ones who are resistant to change, you can overcome these types of problems in the organization. (ASPM O'reilly)

According to Leslie Jaye Goff, the change management is about helping people deal with their emotions. IT professionals should be willing to put themselves in their user's shoes in order to understand how change will affect them.

The central theme of this chapter has been the concept of measurable organization value. The project's MOV provides a means for determining which project should be funded and drives many of the decisions.

6.2 THE NATURE OF CHANGE

This section focus on the ADKAR result-oriented model of change management, impact of change that allows change management teams to focus their activities on specific business

results. To understand impact of change, change is a process and the emotional behavior of change.

6.2.1 The ADKAR model – a model for change management:

The ADKAR change model was first published by Prosci in 1998, an independent research company specializing in the areas of change management, business process reengineering, they developed the ADKAR model. The model was initially used as a tool for determining if change management activities like communications and training were having the desired results during organizational change.

Change management, a critical component of business, can be achieved successfully using the ADKAR procedure. Change often brings high levels of stress and agitation to people. It is used as a resistance management tool, an assessment device and to help change management teams organize their work. This model, if applied completely, should result in a successful transition from former procedures to new procedures without fail or regardless of the complexity of the change.

The five key goals as shown in figure 7.1 form the basis of the ADKAR model.

Awareness - making employees at every level understand why change is necessary. They must understand that change does not come from the desire to do things differently but in order to improve on business activities and stay ahead of your competition, and/or increase the bottom line, is not only wise, but also necessary for success.

E.g., Customer input, Market changes etc.,

Desire: After making employees aware about the change, the next step will be making them have the desire to support and actively participate in the forthcoming changes.

E.g., fear of job loss, incentive or compensation, career advancement.

Knowledge: Management must provide the training and education to its staff of the methods of changing to the new procedures, or organization. High levels of awareness and desire will prove useless if they lack the necessary knowledge of how to change to accomplish the goals.

E.g., training and education, examples and role models.

Ability: Along with the knowledge of how to affect successful change, everyone involved needs to be given the specific training and information to achieve success in implementing the details of the changes to be made.

E.g., Practice applying new skills, mentoring and so on.

Reinforcement: to retain the change once it has been made, reinforcing the new “habits” of the staff typically improve the success of the changes made.

E.g., Personal recognition, celebrations.

An organization's culture, history, values and capacity for change are potential obstacles for change management teams. Consultants and change management teams often address these potential barriers with assessments. This relatively simple, logical method of implementing change management has proven to work well. It is not surprising or mysterious. This model, if applied completely, should result in a successful transition from former procedures to new procedures without fail or regardless of the complexity of the change.

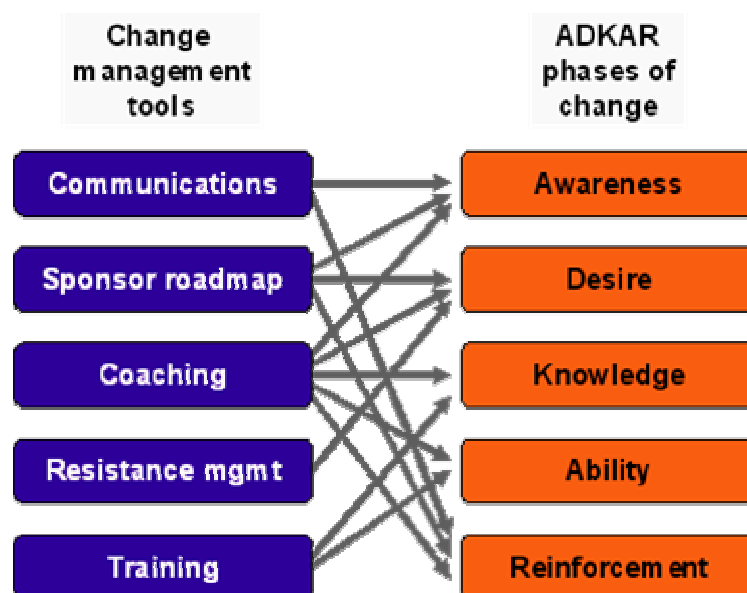


Figure 6.1

6.2.2 Change is a process:

Kurt Lewin emigrated from Germany to America during the 1930's. Lewin is recognized as the "founder of social psychology" which immediately points to his interest in the human aspect of change. Lewin's change management model is linked to force field analysis. Force field analysis is used extensively for purposes of organizational and human resource development, to help indicate when driving and restraining forces are not in balance, so that change can occur.

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Lewin proposed a three stage basic theory of change includes Unfreeze, Change, Freeze (or Refreeze) as shown in diagram. The present state represents equilibrium, to change from the current state; there must be driving forces both to initiate and to motivate the change.

Figure 6.2 depicts a transition from present state to the desired state, it is also referred as neutral zone. Problems arise when managers do not understand, expect the neutral zone.

Stage 1 – becoming motivated to change (unfreezing)

This phase of change is built on the theory that human behavior is established by past observational learning and cultural influences that human behavior is established by past observational learning and cultural influences. Change requires adding new forces for change or removal of some of the existing factors that are at play in perpetuating the behavior.

Stage 2 – change what needs to be changed (unfrozen and moving to a new state)

Once there is sufficient dissatisfaction with the current conditions and a real desire to make some change exists, it is necessary to identify exactly what needs to be changed. A concise view of the new state is required to clearly identify the gap between the present state and that being proposed. Activities that aid in making the change include imitation of role models and looking for personalized solutions through trial-and-error learning.

Stage 3 – making the change permanent (refreezing)

Refreezing is the final stage where new behavior becomes habitual, which includes developing a new self-concept & identity and establishing new interpersonal relationships.

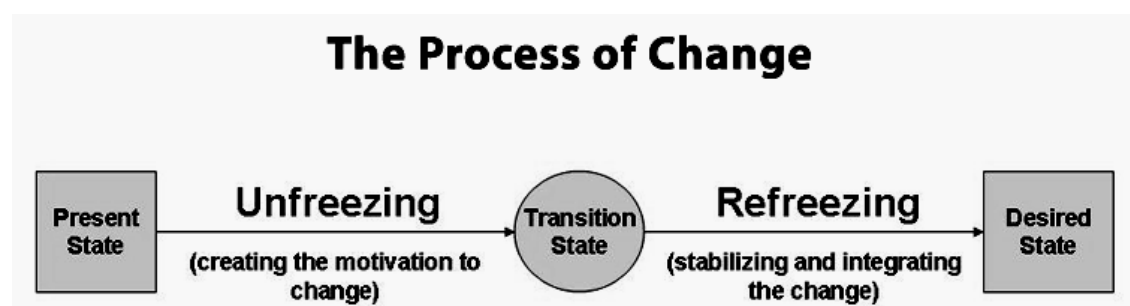


Figure 6.2

6.2.3 Change can be Emotional:

Change can also bring out emotional responses. An individual may have an emotional response to a change when the change is perceived as a loss a well-established equilibrium. In the book *On Death and Dying* author Elizabeth Kubler-Ross provides depicts the emotions.

The model has five stages, if people are not allowed to suffer and go through the first four stages, then going to fifth stage is extremely difficult. The human being we have a mechanism we do use grief counselors to varying extent in our day to day life. If we as change agents know this we can make sure that people we do experience some of these stage have information readily available to enable to progress. The Kubler-Ross model is a useful for understanding people's emotional reaction to personal trauma and change, irrespective of cause. The six stages include:

- **Immobilization:** The initial reaction to the announcement of the change is shock. The change is so alien to the participant's frame of reference that he or she is often unable to relate what is happening, resulting in temporary confusion or complete disorientation.
- **Denial** – It is a conscious or unconscious refusal to accept facts, information, reality, etc., relating to the situation concerned. For e.g., when a person is informed that she is being fired by organization, the initial response may be, Are you serious?
- **Anger** – The anger is a more active emotional response. People dealing with emotional upset can be angry with themselves, and/or with others, especially those close to them. There is a difference between feeling anger and acting out in anger.
- **Bargaining** – In this stage the person may be cooperative and may try to make deals to avoid change. People facing less serious trauma can bargain or seek to negotiate a compromise. For e.g., the person who is fired from the organization may promise the management that she will take a cut in pay to avoid being let go.
- **Depression** – It is also referred to as preparatory grieving. This stage occurs when there is an overwhelming sense of the loss of the status escape. It's a sort of acceptance with emotional attachment and also it shows that the person has at least begun to accept the reality.

- Acceptance – This stage varies according to the person's situation, in this stage a person comes to grips with the change. Acceptance is an important part of ending the status escape and getting on with a new state.

6.3 THE CHANGE MANAGEMENT PLAN

Change Management doesn't need to be "just another thing on your project management checklist." Instead, use the change management methodology to guide how you deal with change in your projects. Often, just having a set of rules by which you and all involved team members and stakeholders can follow makes it easier for you to deal with the change that will inevitably crop up in your projects. This way, you can focus more energy on planning and monitoring and less energy on fighting fires.

Once the change management plan has been developed it should be integrated with the project plan and can be included at any point after start up. Figure 7.3 provides a framework for developing a change management plan.

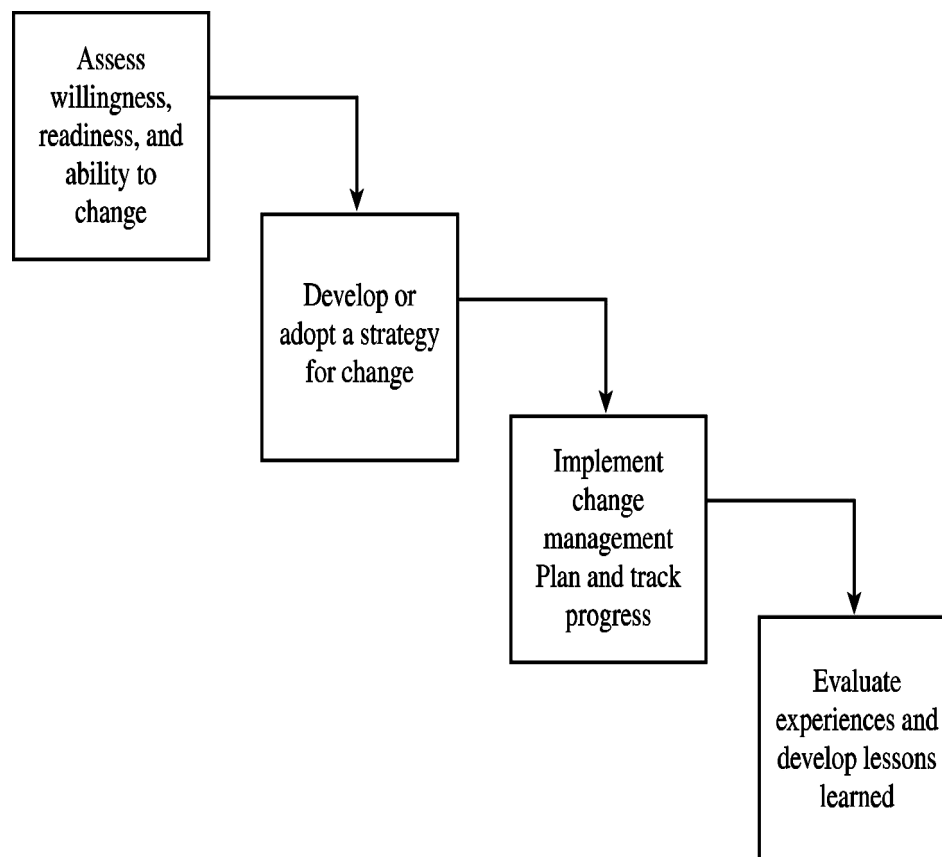


Figure 6.3

Ready, Willing, and Able to Change:

This is the first step for developing a change management plan that is to assess the organization's readiness, willingness and ability to change. This assessment defines several roles involved in a change management – the sponsor, change agents, change advocate and targets.

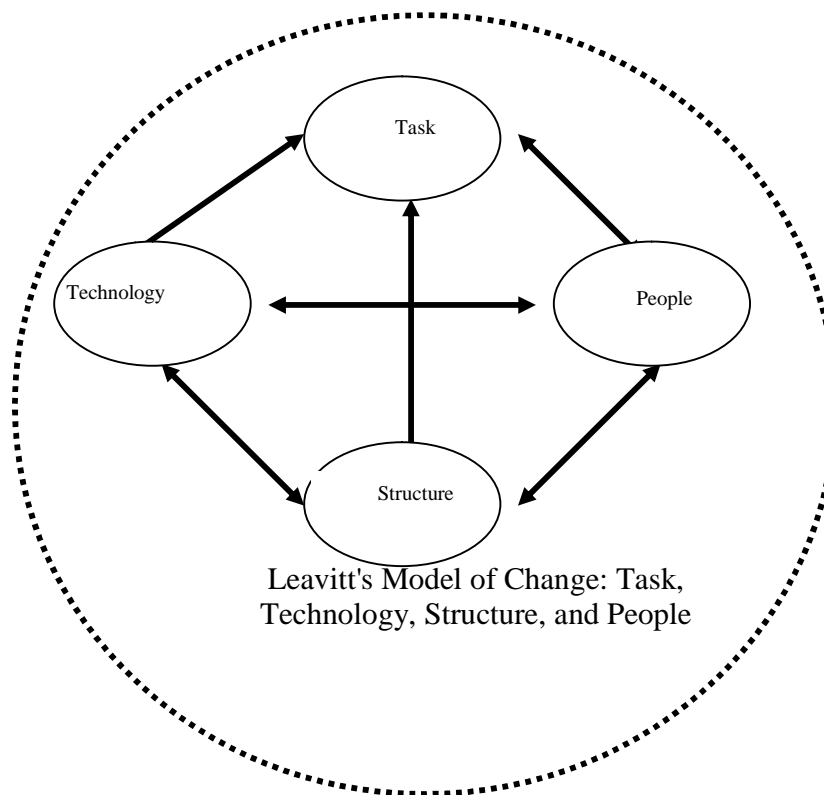
Sponsor A sponsor is the individual (or group) with the power to determine that change will occur. This person or group of project sponsor, an initiating sponsor has the authority to make resources available and support the project, then this person may handoff the project to a sustaining sponsor. A major portion of the organization's ability and willingness to support the change rests with the sponsor's commitment to the project. If the project fails because the organization cannot adapt to the change, the project's envisioned value to the organization is lost and the sponsor's credibility is reduced.

Change Agents An agent is the individual (or group) responsible for seeing that a previously determined change occurs to achieve project's goals. They design and implement or help to implement the change. Change agents report to the sponsor and must diagnose problems, plan to deal with these issues. The ability to sustain the change with the IT projects rests with the change agents.

Change Advocate An advocate is the individual (or group) who want to achieve a change but lacks the power to sanction it and require support from the appropriate sponsor who can approve the change. Any individual within an organization who has a good idea and the ability to communicate it can be a change advocate.

Targets A target is the individual or group that must change. They may be the users of the new system or those will be directly involved with final product of the project. The dynamics associated with the targets of change become most critical for supporting and carrying out the change effort.

Leavitt suggests that the effectiveness of any change program can only be achieved through a balance of four organizational subsystems: technology, structure, tasks and people. The model shown in Figure 7.4 illustrates how all four of these items are interrelated.



Structure - levels of hierarchy, spans of authority, centralization.

Technology - complexity, degree of employee usage, operator control & responsibility.

People - values, beliefs, attitudes, motives, drives, competencies.

Task - job design, repetitiveness, physical & cognitive demands, autonomy & discretion.

Change at any one point will impact some or all of the others. Thus, a changed task will necessarily affect the people involved in it, the structure in which they work, and the technology that they use. Failure to manage these interdependencies at critical times of change can create problems.

As a result of the planned change, people will go through a variety of emotions. So it is important that a boundary be defined in a way that allows the change to happen as planned, but also allows individual "to take something with them" by giving something familiar to hold on to so as to ease the transition. This allows the past to be remembered with reverence and can also mark the end and the new beginning.

People become confused and disoriented when the rules for success change are no longer clearly defined. Lets say that you have been working at a company for several years. Over that time, you have become part of that culture and you know that, in our company promotions is based on seniority and the layoff's will begin with the employees with the least seniority. What if the company you work for has been acquired by some other organization? The acquiring company has decided to make a few changes and start downsizing the workforce in your company and only top performance will be invited to stay. The rules for success have changed.

6.3.1 Develop a Strategy for Change:

The developing a strategy for change is the step after the change is assessed. Davidson provides four approaches to change management.

Rational-Empirical Approach

The Rational-Empirical strategy suggests that most people are rational, so they will accept change that will benefit the overall organization. People are rational beings and will follow their self-interest once it is revealed to them.

It is important that the individuals affected by the change be provided with consistent and timely information. Mixed messages can lead to confusion and suspicion. When people are not given enough information, they tend to seek information from other sources; these messages might be rely on suggestions, misinformation and opinions. Successful change is based on the communication of information and the proffering of incentives.

The change management plan based on this strategy should provide each individual with the purpose, a picture and a part to play. Often individuals within organization have a narrow view of their job and its relationship to the rest of the organization. It may be useful to provide people with a chance to experience the problem or opportunity first-hand. A picture provides a vision in the individual's mind as to how the organization will look or operate in the future. If done effectively, this procedure can help the individual buy into the proposed change. A part can be effective in helping the individual become involved in the proposed change. It is important for the individual to understand and visualize the part she will play once the change is instituted.

Normative-Reeducation Approach:

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The normative-Reeducation strategy suggests that people are social beings and will adhere to cultural norms and values. Successful change is based on redefining and reinterpreting existing norms and values, and developing commitments to new ones.

Change strategy here focuses squarely on culture – what people believe about their world, their work and themselves and the ways in which people behave so as to be consistent with these beliefs. Ordinarily, culture doesn't change quickly and certainly not overnight. This, then, is not the strategy of choice in a turnaround situation on short deadlines. Moreover, an organization's culture is as much in the grip of the informal organization as it is the formal organization. For this reason, this strategy works only when the relationships between the formal and informal organizations are at least cordial and hopefully harmonious.

This approach can be very difficult and time-consuming because the change agents and sponsor must study the existing values and beliefs of a group. It requires unfreezing the current norms so that change can take place so that a new set of norms can be refrozen to solidify the acceptance of the new way of doing things by the group. Some key principles include:

- Capacity for change is directly related to a person's participation in a group.
- Effective change requires changing something not only about the individual's values and beliefs, but also the values and beliefs that make up the existing group's culture.
- Bias and prejudice towards guarding one's closely held belief and values diminishes one's ability to think rationally.

Power-Coercive Approach:

The Power-Coercive strategy attempts to gain compliance from the change targets through the exercise of power, authority, rewards or threat for non-conformance.

Two major factors influencing the choice of this strategy are time and the seriousness of the threat faced. If the organization sits astride the fabled "burning platform," the threat is grave and the time for action is limited. The metaphor of a burning platform is useful but only if all concerned can in fact see that the platform is on fire. This is rarely the case in an organization. Few companies are filled with people who understand the way the business works and fewer people still appreciate the threats it faces or the opportunities it encounters.

As Davidson observes, People's dependency on an organization dictates how effective the power-coercive approach and use of sanctions can be. If the people are highly dependent on the organization; live paycheck to paycheck; have few job alternatives; are not financially, mentally prepared to walk, you are on relatively safe ground using power-coercive approach judiciously (90-91)

The objective is to change the behavior of the targets so that their new behavior supports the change effort. Davidson points out that sanctions should be imposed on an individual level and should focus on what an individual values and what they dread losing – a bonus, a paycheck or a position within the organization. A change agent or sponsor can lose credibility, if they issue a warning or sanction that they do not fully intend to carry out.

Environmental-Adaptive Approach:

People oppose loss and disruption but they adapt readily to new circumstances. Change is based on building a new organization and gradually transferring people from the old one to the new one.

Following this approach, the change agent attempts to make the change permanently by abolishing the old ways and instituting the new structure as soon as possible. A much less drastic example would be upgrading everyone's word processing software over the weekend so that when everyone returned to work on Monday, they would have no choice but using the new software package.

Time frames are not a factor. This strategy can work under short time frames or longer ones. However, under short time frames, a key issue will be that of managing what could be explosive growth in the new organization and, if it is not adequately seeded with new folks, the rapid influx of people from the old culture can infuse the new organization with the old culture.

Although this approach may be effective in certain situations, it is important that the targets of change assimilate the change as quickly as possible in order to adapt to the change as soon as possible. Some ways may include helping the targets of change see the benefits and showing them how the new way is similar to their old one.

A single strategy however, may not be effective in every situation. A more useful approach may be combining the different strategies, depending on the impact of the change and the organization.

6.3.2 Implement the Change Management Plan and Track Progress:

Once the strategies for the change management plan have been defined, the next step entails implementing the plan and tracking its progress. Although tracking progress should be integrated into the overall project plan using the tools, such as Gantt chart, PERT chart and so on.

The effective line of communication is the critical issue for ensuring that the change takes place as planned. The project team and project sponsor create and open channels of communication. It is important especially when delivering certain type of news. For example a richer media, such as face-to-face communication, is generally preferable when delivering important news.

The open channels of communication should be both ways. The project team and sponsor must communicate effectively with the various groups within the organization affected by the change, and in turn these groups must be able to communicate effectively with the project team and sponsor. Web sites, e-mails, memos and newsletters can be mediums for effective communication.

Evaluate Experience and Develop Lessons Learned:

As the project team carries out the change management plan, they will learn from their experiences. These experiences should be documented and made available to other team members and other projects. At the end of the project, the overall success of the change management plan is evaluated.

6.4 DEALING WITH RESISTANCE AND CONFLICT

Resistance and conflict are a natural part of change. In this section, we will look at the nature of resistance and conflict and several approaches for dealing with these.

Resistance:

With change, comes resistance. Regardless of how clear and concise your change management plan is, you will find varying levels of resistance and people questioning the motive for change.

Resistance to change comes for many valid reasons. For example, someone may resist for genuine interest – someone may

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resist an IS because the response time is too slow or because it does not provide the feature that were specified as part of the requirements. Resistance like this is healthy and should be encouraged early in the change initiative. On the other hand, resistance due to cultural or behavioral reasons is harder to rationalize.

Kotter and Schlesinger set out the following six change approaches to deal with resistance to change:

- ❖ Education and Communication - Where there is a lack of information or inaccurate information and analysis. One of the best ways to overcome resistance to change is to educate people about the change effort beforehand.
- ❖ Participation and Involvement - Where the initiators do not have all the information they need to design the change and where others have considerable power to resist. When employees are involved in the change effort they are more likely to buy into change rather than resist it.
- ❖ Facilitation and Support - Where people are resisting change due to adjustment problems. Managers can head-off potential resistance by being supportive of employees during difficult times.
- ❖ Negotiation and Agreement - Where someone or some group may lose out in a change and where that individual or group has considerable power to resist. Managers can combat resistance by offering incentives to employees not to resist change. This can be done by allowing change resisters can be offered incentives to leave the company through early buyouts or retirements in order to avoid having to experience the change effort.
- ❖ Manipulation and Co-option - Where other tactics will not work or are too expensive. Kotter and Schlesinger suggest that an effective manipulation technique is to co-opt with resisters.
- ❖ Explicit and Implicit Coercion - Where speed is essential and to be used only as last resort. Managers can explicitly or implicitly force employees into accepting change by making clear that resisting to change can lead to losing jobs, firing, transferring or not promoting employees.

Conflict:

Closely associated with resistance is the concept of conflict. Conflict arise when people perceive that their interests and values are challenged or not being met. It is important to identify potential conflicts as early as possible so that the conflict can be addressed.

There are 3 different views of conflict, these are

- (i) Traditional view – According to this conflict leads to poor performance, aggression and devastation if left escalate. Therefore, it is important to manage conflict by suppressing it before it occurs as soon as possible.
- (ii) Contemporary view – This view suggests that conflict is inevitable and natural. Depending on how conflict is handled, conflict can be either positive or negative. The positive conflict should be encouraged and negative conflict in check.
- (iii) Interactionist View – Interactionist view holds suggests that conflict is an important and necessary ingredient for performance. The project manager should occasionally stir the pot in order to encourage conflict to an appropriate level so that people engage in positive conflict.

For the project manager and project team, the seeds of resistance can easily lead to negative conflicts. Blake and Mouton (1964) and Verma (1998) describe five approaches for dealing with conflict.

- ❖ Avoidance – Avoiding conflict focuses on retreating, withdrawing conflict. It may be appropriate when you can't win, the stakes are low, or gaining time is important. Avoidance may not be useful when the immediate, successful resolution of an issue is required.
- ❖ Accommodation – This approach is useful when trying to reach an overall goal, when the goal is important than the personal interests of the parties involved.
- ❖ Forcing – This approach is useful when a person uses his or her dominant authority to resolve the conflict. Forcing results in a win-lose situation in which one gains at the other's expense.
- ❖ Compromise – It includes both forcing and accommodation approaches, compromising is bargaining. In this case, no party actually wins and none actually loses.
- ❖ Collaboration – This approach requires confronting and attempting to solve the problem by incorporating different ideas, viewpoints and perspectives.

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Collaboration is the best approach when the risks and benefits are high.

Each conflict situation is unique and the choice of an approach to resolve conflict depends on:

- Type of conflict and its relative importance to the project.
- Time pressure to resolve the conflict.
- Position of power or authority of the parties involved.
- Whether the emphasis is on maintaining the goals or objectives of the project or maintaining relationships.

6.4.1 Polarity Management:

The project manager or project team is faced with a conflict situation that appears to have no solution. When two sides (i.e. advocates of change and those resisting change) end up in a polarity where each side can only see the upsides or advantages of their pole and the downsides or disadvantages of the other. For many, this is difficult dilemma that can create even more resistance and conflict.

According to Barry Johnson, the problem is that we often frame a problem as something that can be solved by choosing one side over another. Crusading is the activity people engage in when they want to make things better by moving away from the downside of one pole to the upside of the opposite pole. Tradition-Bearing is the activity people engage in to defend the upside of the status quo and to point out the necessity of avoiding the downside of the opposite point of view. Crusaders are those who want to change the status quo and are supporters of change. They contribute by identifying the downsides of the current pole and provide the energy to move away from the current pole. Tradition Bearers - are at the opposite end of the pole and wish to preserve the best of the past and present and help identify things that should be preserved. Using a tool Polarity mapping, we can see the upsides and downsides that each side is advocating. Figure 6.5 provides an example of a polarity map for implementing a new word processing application.

In this figure the upper left quadrant is the Traditional Brearers' view of the upsides for keeping the current word processing software package are listed, while the Crusaders' view of the upsides for upgrading to a new word processing package are listed in the upper right quadrant.

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<i>Upsides</i>	<ul style="list-style-type: none"> ■ Familiarity ■ Does what I need it to do ■ No additional training needed <p><i>TB+</i></p>	<ul style="list-style-type: none"> ■ Faster than current software ■ Expanded functionality ■ Most popular WP software used—easy to find & hire people who have the skills <p><i>C+</i></p>
	<ul style="list-style-type: none"> ■ Slow ■ Limited functionality ■ No longer supported by vendor <p><i>C-</i></p>	<ul style="list-style-type: none"> ■ Will take time to learn ■ Too many features & functions ■ Training will be required <p><i>TB-</i></p>
<i>Keep current word processing software package</i>		<i>Upgrade to a different word processing software package</i>

Figure 6.5

The conflicts occur in the lower two quadrants, for example people who advocates upgrading to a new word processing package may focus on the upsides of the upper right quadrant (C+). Similarly those in favor of maintaining the status quo will focus on the quadrants TB+ and TB-. Often the upside of one quadrant (i.e., familiarity) becomes a downside in the opposite quadrant (i.e., will take time to learn). Subsequently resistance and conflict escalate unless both sides see the entire picture.

Johnson suggests that before using polarity management, both sides should:

- Clarify what you value and what you do not want to lose.
- Let the other side know that you are aware of the downsides of the pole.
- Assure the other side that you want to maintain the upsides of their pole.

Polarity mapping helps people “get away” from seeing their current initiative as being the only “solution to the problem” and not a case of choosing one idea over another.

The key to polarity management is recognizing that both polarities must be managed simultaneously. In the previous example of word processing, if upgrading to a new word processing package both groups may try to come up with training plan flexible enough so that both groups get what they want.

6.5 SUMMARY

In this chapter, we saw the critical component of business, can be achieved successfully using the ADKAR procedure. We looked at change as a process. Kurt Lewin introduced the concept of Force Field Analysis, in which we try to understand the driving and resisting forces that push and repel the change. Lewis model of change helps us to understand that we must unfreeze the current state until the desired new state is reached.

In this chapter we understood how to develop effects change management plan. The change management should focus on adopting a strategy to support the change. The plan should center on implementing the plan and tracking its progress. The polarity management was introduced as a tool that provides a collaborative approach for dealing with conflict and resistance.

Sample Questions:

1. Define change management. Describe the stages of Lewin's model for change.

For solution Refer 7.2.2

2. Describe any two approaches to develop a strategy for change.

For Solution Refer 7.3.1

3. In your own words, describe polarity management.

Refer 7.4.1

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